

# IRS News Release

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## **No Change in the Interest Rates for the Fourth Quarter, 2007**

IR-2007-154, Sept. 4, 2007

WASHINGTON – The Internal Revenue Service today announced there will be no change in the interest rates for the calendar quarter beginning Oct. 1, 2007. The interest rates are as follows:

- 8 percent for overpayments (7 percent in the case of a corporation);
- 8 percent for underpayments;
- 10 percent for large corporate underpayments; and
- 5.5 percent for the portion of a corporate overpayment exceeding \$10,000.

The rate of interest is determined on a quarterly basis. For taxpayers other than corporations, the overpayment and underpayment rate is the federal short-term rate plus 3 percentage points.

Generally, in the case of a corporation, the underpayment rate is the federal short-term rate plus 3 percentage points and the overpayment rate is the federal short-term rate plus 2 percentage points.

The rate for large corporate underpayments is the federal short-term rate plus 5 percentage points. The rate on the portion of a corporate overpayment of tax exceeding \$10,000 for a taxable period is the federal short-term rate plus 0.5 of a percentage points.

The interest rates announced today are computed from the federal short-term rate based on daily compounding determined during July 2007.

Revenue Ruling 2007-56, announcing the new rates of interest, is attached and will appear in Internal Revenue Bulletin No. 2007-39, dated Sept. 24, 2007.